

CHILD CARE FUNDING

H.R. 240 Provides Increased Child Care Funds To Support More Work

The House Republican welfare reauthorization bill (H.R. 240), increases child care funds by \$400 million per year over the historic high level maintained in the President's proposal.

- Child care expenditures have QUADRUPLED under welfare reform, rising from \$3.0 billion in 1995 to \$12.0 billion in 2003 (counting Child Care and Development Block Grant (CCDBG) and TANF funds).
- The President's plan maintains \$4.8 billion in funds for the CCDBG each year, an all-time high for this program.
- H.R. 240 adds another \$4 billion (\$1 billion in mandatory, and \$3 billion in discretionary) over five years (through 2010) in funds for the Child Care and Development Block Grant (CCDBG).

H.R. 240 also allows States to transfer more TANF funds into the CCDBG. This could result in \$3+ billion more added annually to this block grant.

- Transfer authority would rise from 30% to 50% per year. Thus, an extra 20% of TANF funds, or \$3+ billion of the annual \$16.6 billion TANF block grant, could be spent through the CCDBG.
- The CCDBG program serves many families that are not eligible for welfare programs. Thus, increases in the CCDBG could translate to increased support for working poor families, regardless of whether or not they were ever on welfare.

Claims that the \$2 billion increase in Child Care funds provided under H.R. 4 is insufficient are unsupported by history and facts.

- In 1995 and 1996, "experts" claimed \$12 billion more was needed to meet the program's requirements. Yet, almost \$4 billion in TANF funds sit unused according to the most recent reports.
- Calls for increased spending rarely have any rational basis for a particular amount -- \$5 billion, \$11 billion, \$20 billion -- there seems to be no limit.